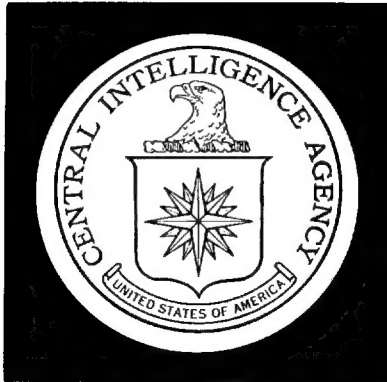


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

*The NATO Ministerial:
Security in the Era of Detente Politics*

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THE NATO MINISTERIAL: SECURITY IN THE ERA OF DETENTE POLITICS

With a broad range of subjects to consider, all the defense ministers of the NATO allies except France, all the foreign ministers, and some of the finance ministers will gather in Brussels next week. The defense ministers will meet as the Defense Planning Committee (DPC) on December 1-2. The foreign ministers will follow on December 3-4 with the year's second ministerial-level session of the North Atlantic Council (NAC). A main task of the ministerial sessions will be to consider the defense ministers' report (AD-70) on Allied defense problems in the 1970s—a study with potentially far-reaching military and political implications. The attendance of the finance ministers is an indication of its long- and short-term financial implications as well.

Since the ministers met last May, the Allies have had the opportunity of appraising NATO's preparedness for the coming decade, and assessing the prospects for detente. There are still dilemmas in both areas. In the comprehensive study of the problems of NATO defense anticipated for the decade of the 1970s, the Allies have identified what they believe to be deficiencies in their defense and maldistributions of effort among the NATO membership. But they now will have to decide how to resolve these problems.

Meanwhile, the hopes engendered by the successes of Bonn's Ostpolitik have been dampened by Soviet policies in the Middle East and by the uncertainty about Soviet intentions in the Berlin talks. In May, the Allies went on record as being willing to consider multilateral East-West discussions concerning a conference on European security (CES) once progress had been demonstrated in bilateral contacts. The question now is whether the Allies believe there has been sufficient progress to justify multilateral talks with the Warsaw Pact countries.

Special Report

- 1 -

27 November 1970

SECRET

SECRET

25X1

Allied Defense Problems in the 1970s

The AD-70 study, initiated by Secretary General Brosio in response to a suggestion made in President Nixon's 1970 foreign policy report to Congress, is intended to be a thorough review of the military and strategic problems that NATO will face in the next ten years. The report to be considered by the defense ministers next week does not complete the AD-70 study, however, nor are its views of Alliance problems and capabilities shared without reservation by all NATO members. It is nonetheless a consolidation of more than 50 detailed working papers, and it attempts to focus attention on a specific number of problem areas.

AD-70 comments that the next decade could develop into an era of "successful negotiations," possibly including strategic arms limitations, other arms control measures, and one or more conferences on "European security and cooperation." Despite these possibilities, the study observes that the Soviet Union still seems intent on extending and strengthening its political and military power and, that, therefore, any improvement in East-West relations will depend on Moscow.

Because of what the Alliance considers to be the continuing nature of the Soviet threat, the report goes on to reaffirm the Allied commitment to a deterrent based on both nuclear and conventional capabilities, and a defense based on the strategy of flexible response and forward defense. It regards NATO's nuclear forces as adequate, and concludes that priority should be given to improvements in mobilization capability, equipment, maritime strategy, and the defense of NATO's flanks.

The report contends that the Warsaw Pact forces are able to be mobilized rapidly and effectively, while NATO countries, which, like the Pact, depend heavily on mobilization of reserves, might find their reserve forces not as effective because of inadequate training programs.

The report also maintains—contrary to US intelligence assessments—that the Warsaw Pact has a marked superiority in all types of ground and air equipment except offensive aircraft and anti-tank weapons. In the event of a conflict, it projects great difficulties for the Alliance because of its shortfalls in both armor and aircraft. Consequently, it recommends, among other things, that NATO build more shelters for its aircraft.

The report says that NATO still retains an edge in maritime strength, but warns that the advantage is dwindling rapidly. The report attributes this to Soviet improvements, particularly in submarine capability, and the decline in NATO capabilities, especially in antisubmarine warfare.

Another serious weakness, according to the report, is the purported inability of NATO to defend its flanks adequately—the Scandinavian area in the north and the Mediterranean to the south. To help overcome this weakness the report recommends indigenous forces be strengthened and plans improved for their reinforcement by the other Allies.

NATO DEFENSE EXPENDITURES
AS PERCENTAGE OF GROSS NATIONAL PRODUCT

Country	1965	1966	1967	1968	1969*	1970*
Belgium	3.3	3.3	3.3	3.3	3.1	3.1
Denmark	3.2	3.1	3.1	3.3	3.0	3.0
France	6.1	5.9	5.9	5.6	5.1	4.8
F. R. of Germany	5.0	4.7	5.0	4.1	4.1	3.8
Greece	4.1	4.2	5.1	5.7	6.0	5.9
Italy	3.7	3.8	3.5	3.3	3.1	2.8
Luxembourg	1.5	1.5	1.3	1.1	1.0	1.0
Netherlands	4.3	4.1	4.3	4.0	4.0	4.0
Norway	4.2	4.0	3.9	4.2	4.1	4.0
Portugal	6.7	6.8	8.0	8.2	7.5	6.8
Turkey	5.8	5.1	5.4	5.5	5.2	4.7
United Kingdom	6.7	6.5	6.5	6.3	5.8	5.6
NATO Europe	5.3	5.1	5.2	4.8	4.5	4.2
Without France	5.1	4.9	5.0	4.6	4.4	4.1
Canada	3.7	3.6	3.7	3.3	3.0	3.1
United States	8.1	9.1	10.2	10.0	9.4	8.8
TOTAL NATO	6.9	7.5	8.2	7.9	7.4	6.8
Without France	7.0	7.6	8.4	8.1	7.6	7.1

Estimate

AD-70 report recommends the European Allies halt the trend of declining percentage of GNP spent on defense

SECRET

SECRET

25X1

The report also considers the distribution of the defense burden among the NATO members. It maintains that there is no substitute for the presence of American troops in Europe to preserve a credible deterrent, but exhorts the Europeans to allocate to defense purposes a stable, or possibly larger, proportion of their national income.

The ministers will have to decide what to do about these problems, which are not new, nor in all cases accurately analyzed. Further, all the Allies are not likely to be eager to undertake extensive improvements in their forces, on the scale envisioned in the report. Meanwhile, the Europeans are trying to spell out a specific burden-sharing offer to be included in the AD-70 report. The defense ministers of the Eurogroup will make a last-minute effort to put a plan together on 1 December, while they are in Brussels for the DPC ministerial meeting. (The Eurogroup membership includes all the European allies except France, Iceland, and Portugal.)

Sharing the Burden of Defense

Convinced that they could not remain passive in the event that the US presence in Europe was reduced, the Eurogroup defense ministers last June intensified their search for a more substantial way to demonstrate their commitment to NATO. West German Defense Minister Schmidt, taking the initiative, told the others that the issue was one of direct budgetary support—"cash from our budgets"—to help the US. The group therefore agreed to explore the possibility of the Europeans taking over part or all of the US portion of NATO's infrastructure expenditures.

In July, the West German National Defense Council decided that the Federal Republic should urge the other Eurogroup members to come up with a sizable offer to the US. The Germans began to talk in terms of an annual multilateral contribution of \$250 million and suggested that they would bear up to 40 percent of the cost. During the fall, this approach ran into serious

difficulties, largely because of British reluctance to burden its already tight budget with cash payments to the US.

The scope of the burden-sharing discussions was enlarged at the Eurogroup meeting on 1 October to encompass both monetary contribu-



**British
Defense Minister
Lord Carrington**



**West German
Defense Minister
Helmut Schmidt**

tions and specific improvements in national defense efforts. Subsequently, the UK announced that its contribution to burden-sharing would be a variety of increases in its NATO commitment. The West Germans were highly dissatisfied, however, with the limited nature of the British pledge.

Early in November, Bonn, acting on what it interpreted to be a subsequent US preference for improvements in European defense efforts, abandoned advocacy of direct budgetary support. Instead, the West Germans led the other Eurogroup members in support of a three-pronged approach to burden-sharing, consisting of a special European infrastructure fund, national

SECRET

SECRET

25X1

measures to improve NATO-committed forces, and "other financial measures."

The infrastructure fund would be used to finance special projects, such as building aircraft shelters and improving NATO's communications system—areas in which the AD-70 report sees serious deficiencies. Most of the Allies indicated that they are seriously considering participation in the fund, which the Germans suggested could involve contributions totaling more than \$500 million over a five-year period. British Defense Minister Carrington, however, adamantly insisted that the UK could not contribute. Almost all the other Eurogroup members intend to consider qualitative or quantitative improvements in their national forces that they would include in the "national measures" portion of the plan. The "financial measures" provision is a catch-all, designed primarily to include such things as projected increases in West German military aid to Turkey.

As the NATO ministerial meeting nears, last-minute diplomatic maneuvering will decide the outcome of the scheduled 1 December Eurogroup meeting. The West Germans have stuck by their pledge to finance 40 percent of the special fund, but to date have maintained that they would be unwilling to bear a significantly larger percentage of the total. Therefore, the total amount still depends on the extent to which the other Allies decide to participate. Should the British continue to refuse to do so or decide to make only a token contribution, it is unlikely that a fund of as much as \$500 million could be realized.

Foreign Ministers Weigh Detente "Progress"

A major question confronting the NATO foreign ministers next week will be whether there has been sufficient progress in East-West relations since last May to justify multilateral discussions with the Warsaw Pact countries on a conference on European security (CES). Last May, the Allies agreed to increase the exploratory bilateral con-

tacts that have been going on. The assumption of the ministerial communiqué in May was that if these talks and the East-West discussions in progress—Berlin talks, SALT, Bonn's Eastern negotiations—revealed a genuine Soviet interest in detente, multilateral exploration of CES prospects could be authorized in December.

The problem for the ministers is that the mixed bag of East-West developments since May is open to various interpretations. Those Europeans who are anxious for movement toward detente can identify as "progress" the West German agreements with the Soviet Union and Poland and the increased pace of the Berlin talks. Those who question Soviet intentions see few, if any, Soviet sacrifices in the agreement with Bonn and point to the lack so far of any substantive progress on Berlin. Soviet actions in the Middle East have also dampened the detente enthusiasm of many of the Allies.

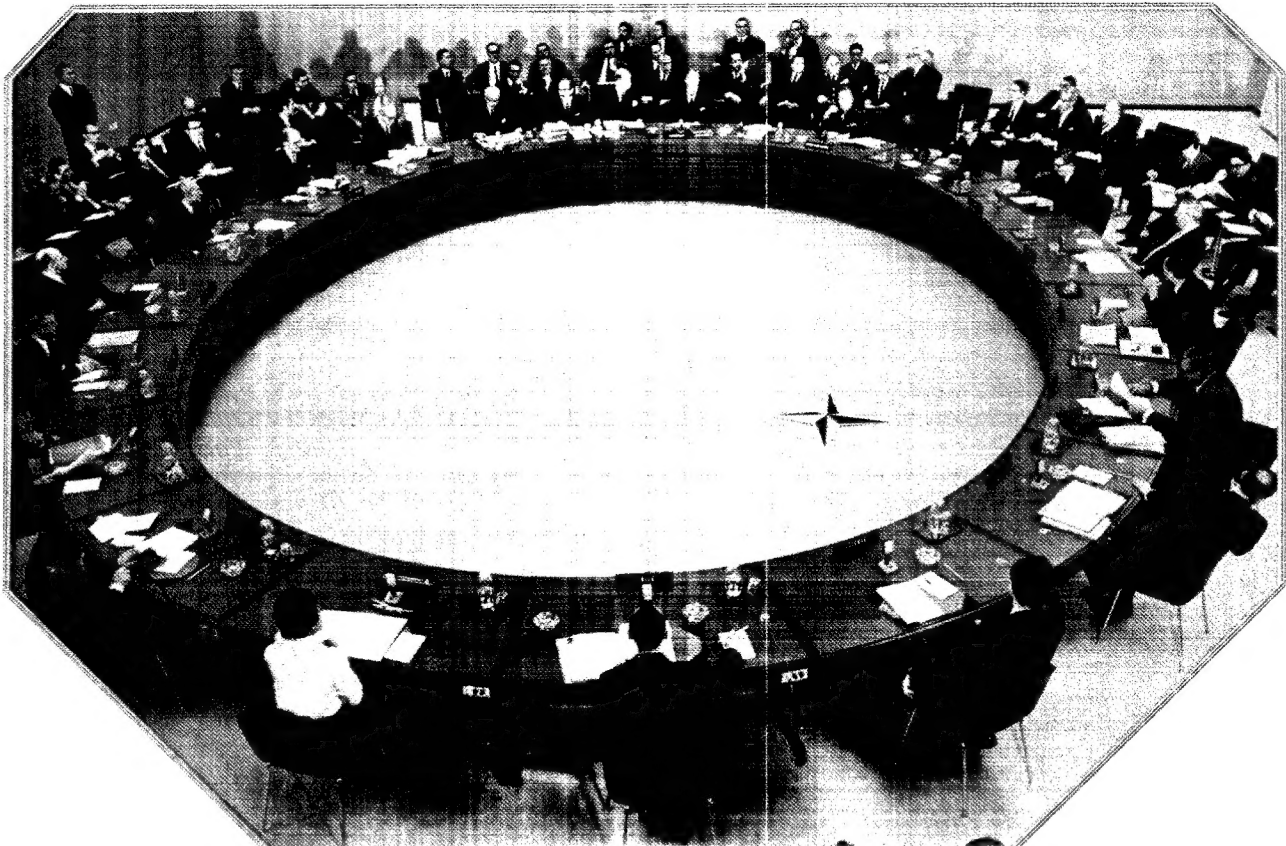
Most Allies feel that the Berlin talks, at present, hold the key to further NATO movement toward security conference preparations. The Allies actively involved in the Berlin talks form the so-called Bonn Group—the US, UK, France, and West Germany. Because the other Allies clearly recognize the interdependence of the Berlin talks and movement to multilateral talks, many of them have recently urged that they be provided better information by the Bonn Group so that they can make their own judgments concerning "progress" or the lack of it. As a result, the Bonn Group decided to expand the information available for the other Allies in the period preceding the ministerial meeting. Although Allied unity has not yet been seriously threatened by the information problem, last minute Soviet maneuverings in the Berlin talks could produce splits among the Allies.

It appears in any case that much of the steam has gone out of the Alliance's urge to "go multilateral" at this time. Even the Belgians, who last summer were eagerly pursuing bilateral exploratory talks with the East as a step toward

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SECRET

25X1



North Atlantic Council in Session

multilateral talks, are assuming a firmer stance on a CES. They now say that they would not agree to a conference unless the Warsaw Pact governments were prepared to negotiate on mutual and balanced force reductions—either at, or prior to a CES. The West Germans insist that Bonn's agreements with Moscow and Warsaw do not by themselves suffice to justify multilateral CES talks. They now would like to add the requirement for progress in East-West German talks to the prerequisites for movement to multilateral CES explorations.

In spite of declining enthusiasm for CES preparations, there remains latent support for the

concept of a security conference. For the smaller NATO members, a CES would offer an opportunity for direct involvement in detente politics. Many Allies, large and small, now feel that, desirable or not, some sort of a security conference is inevitable, and that the Alliance should prepare to make the most of it. For these reasons, a number of Allies could be influenced by last-minute developments that would renew pressures at the ministerial sessions for multilateral talks.

A Signal to the Warsaw Pact on Mutual Force Reductions

If, as it now appears, strong pressures for multilateral security talks fail to materialize, the

SECRET

SECRET

25X1

outcome of the ministerial meetings again may be highlighted by an initiative on mutual and balanced force reductions (MBFR). Support also seems to be building among the Allies for including in this initiative a response to the Warsaw Pact offer to discuss reductions of "foreign" forces in central Europe. (Foreign forces, it now is generally presumed, would consist primarily of Soviet forces stationed in Eastern Europe, and American, British, French, and Canadian forces located in West Germany.)

The Pact made this offer early last summer in a long-delayed reply to NATO's numerous MBFR initiatives that, since December 1966, have served as the West's counteroffer to the Soviet calls for a conference on European security. In the Budapest memorandum of 26 June, the Pact suggested that discussion of foreign troop reductions could be undertaken in a "body" to be established at a conference on European security, or in any other forum acceptable to all interested parties. The Allies, at first skeptical of the Pact proposal, eventually came to regard it as a possible opening for what might become a fruitful dialogue.

Influenced by the Pact memorandum, NATO consideration of MBFR in recent months has moved from concentration on building theoretical force-reduction models to discussions of how best to pursue the incipient force reduction dialogue. The Alliance is also now giving more serious attention to the problem of finding force reduction approaches that stand a chance of being negotiable with the Soviet Union. NATO's theoretical models were formulated primarily with a view to preserving Allied security while redressing areas in which the Pact has special advantage. However, in their search for realistic prospects, most of the Allies now believe that NATO should de-emphasize work on formulas that call for the reduction of forces on Soviet territory. They also doubt the value of further in-depth study of reductions entailing substantially larger Pact than NATO cutbacks. The inclusion of either approach in a Western position, it is felt, would not

enhance the chances for successful MBFR negotiations.

The West Germans, traditional MBFR proponents, have taken the lead in advocating that NATO take a new initiative on MBFR at the ministerial sessions. Bonn has told the other Allies that it favors a positive response to the Pact's foreign forces proposal, but one which would preserve the initiative on force reductions for the Alliance. The Germans have proposed that the ministerial communiqué state NATO's willingness to explore different approaches to force reductions, including one that starts with foreign forces. The Germans, and most of the other Allies, feel quite strongly, however, that NATO should specify that reductions in foreign forces should be placed in the general framework of MBFR and tied directly to eventual cutbacks of indigenous forces.

It is likely that Bonn will rally broad support within the Alliance for this approach. The Allies undoubtedly would like some positive NATO contribution to the East-West dialogue to emerge from the ministerial meetings, and if conditions still do not seem to warrant multilateral CES discussions, a new initiative on MBFR could serve this purpose.

NATO and the Environment

No significant developments are expected at the ministerial meetings regarding the Committee on the Challenges of Modern Society (CCMS), but the ministers will be able to take note of the steady progress in the work of NATO's fledgling environmental activity. Bolstered by the strong support the US has given it since its inception a year ago, the CCMS has overcome some of the earlier Allied skepticism about the relevance of environmental problems to NATO's basic purposes. Some Allies still find it difficult to generate enthusiasm for all CCMS projects, however, partly because of the low level of European public awareness of environmental problems and partly because of the limited number of experts many of

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25X1

the Allies have available to deal with the burgeoning assortment of international environmental efforts.

The third CCMS plenary meeting, held at NATO headquarters in Brussels on 19-20 October, received progress reports on eight pilot projects: air pollution, open water pollution, inland water pollution, disaster assistance, road safety, the effect of regional planning on the environment, problems of "work satisfaction in a technological era, and the relationship of scientific knowledge to decision-making. The next CCMS plenary meeting, scheduled for April, is expected to produce some specific recommendations for action by the member governments.

Outlook

The December meetings of the NATO ministers could mark time or provide some new movement. The groundwork has been laid for the ministers in the Allied capitals and at NATO headquarters, but only the ministers can determine the final tone of the communiqués. There

are opportunities for the internal development of the Alliance and for the future of NATO's detente policies.

A decision by the defense ministers favoring further study of many of the recommendations of the AD-70 report is likely. The Eurogroup effort to produce a burden-sharing plan could turn out to be a constructive example of cooperation among the European allies that would encourage additional intra-European efforts in the defense area. Failure of the group to come up with an agreed and meaningful plan, however, could produce discord both among the Europeans and within the Alliance itself.

On the question of "progress" in East-West relations since the meetings last May, a decision to move to multilateral CES talks appears unlikely, although there is certain to be lively discussion of the topic. A new MBFR initiative is to be expected, but how far it will go beyond the last Allied offer in May will be worked out by the ministers.

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Special Report

- 7 -

27 November 1970

SECRET

Secret

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